

ALLOWANCES POLICY



Dr Ruth S Mompati
DISTRICT MUNICIPALITY



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1. INTRODUCTION

Due to the developments made in terms of the law; particularly the conclusion of the new South African Local Government Bargaining Council's Collective Agreement on Conditions of Service that came into effect on 1 September 2017, there is a need to improve on current Acting Allowance policy to regulate new allowances enshrined in the said agreement. This therefore warrants the change of the current policy title from Acting Allowance Policy to **Allowances Policy**

This policy is subject to the South African Local Government Bargaining Council Collective Agreement on the Conditions of Service.

2. DEFINITIONS

Acting Allowance	Additional remuneration paid in respect of authorized work normally executed at level senior than that of the incumbent's original appointment.
Shift allowance.	
All-inclusive Remuneration	Remuneration package that includes basic salary, medical aid, pension, UIF, motor-vehicle and housing allowances but exclude Subsistence & Travelling and telephone allowances.
Basic Salary	Minimum salary constituting the 60% of the all inclusive all-inclusive remuneration package. This excludes all other benefits and incidental payments.
District Municipality	Means Dr Ruth Segomotsi Mompati District Municipality
Taxable Income	Compulsory contribution to state revenue, levied by the government on personal income.

3. PURPOSE OF THE POLICY

The purpose of this policy is to:

- 3.1 To regulate the appointment of officials in acting capacity as well as the allocation of specific allowances covered herein.
- 3.2 To empower the officials of the Municipality to perform their functions and improve on their conditions of service hereby not otherwise catered for and funded.
- 3.3 Ensure that employees who are entitled to certain benefits and/or allowances are equipped with such.

4. LEGISLATIVE FRAMEWORK

This policy complies with the following legislative and regulatory frameworks:

- Local Government: Municipal Systems Act No. 32 of 2000;
- Labour Relations Act No. 66 of 1995, as amended
- Basic Conditions of Employment Act No. 75 of 1997; and
- SALGBC's Consolidated Conditions of Service for the North West Province Division

5. SCOPE OF THE POLICY

- 5.1 This policy applies to all permanent municipal employees.
- 5.2 This policy shall not be applicable to positions specifically created for the purpose of pursuing a special project undertaken by the District Municipality.

6. AUTHORIZATION

For purposes of implementing this policy:

- 6.1 Only the Municipal Manager or his delegate may authorize in writing the allocation of allowances to an official..
- 6.2 When a need to temporarily fill the position of a Municipal Manager arises, Dr Ruth Segomotsi Mompati District Municipality shall appoint an Acting Municipal Manager in line with the following factors:
 - a) The Council, through its delegate (Executive Mayor), shall effect the said appointment detailing in writing both the duration and actual acting allowance for such appointment, as provided herein.

- b) An official appointed to act as a Municipal Manager shall be no junior than the manager directly accountable to the Municipal Manager. Only in exceptional circumstances may deviation be justified in this regard.
- c) For the purposes of accountability, financial management stability, and the possibility of a conflict of interest, it is not advisable to appoint the CFO to act in the Municipal Manager's position.

6.3 The existence of a vacant post does not automatically entitle the official to be appointed in an Acting capacity. The required authorisation must still be obtained from the Municipal Manager or his delegate in all cases.

6.4 The Municipality reserves the right to withdraw the allocation of an Acting Allowance at any time.

6.5 Subject to Council's delegation policy, the Municipal Manager or his delegate shall appoint in an acting capacity municipal officials who occupy the first line of reporting to the temporarily unoccupied position. Reasonable deviation shall be allowed based on prevailing exceptional circumstances.

7. ALLOWANCES

7.1 GENERAL PRINCIPLES FOR ALLOWANCES

7.1.1. Employees who were entitled to traffic/shift/security allowances on 01/01/2010 will continue to receive these allowances on a contractual to holder basis.

7.1.2. Employees who receive shift allowance shall only qualify for overtime if they exceed their normal working hours.

8. CONDITIONS AND PROCEDURES

8.1 ACTING ALLOWANCE

8.1.1. An Acting Allowance may be allocated in the following situations:

- a) The employee has been duly appointed in writing by the Municipal Manager or his delegate to act.
- b) A vacant post exists within the District Municipality.
- c) A manager is on extended leave more than ten (10) consecutive working days.
- d) Any interruption of less than three (3) working days in total shall be deemed to form part of the acting period if occasioned by any of the following circumstances:
 - I. Illness supported by a medical certificate;

II. Family bereavement;

III. Attendance at Court as witness, if subpoenaed.

- e) Vacant post where there is an acting incumbent, on a Municipality's permanent staff establishment should be filled within six (6) months unless there is a compelling reason not to do so.
- f) Unless operational requirements dictate otherwise, acting appointments should be confined to employees reporting directly to the applicable acting position.
- g) An employee holding a transport allowance bearing post, acting in a higher position, shall also be entitled to running costs for additional travelling in the higher position.
- h) An employee holding a non-transport allowance bearing post, acting in a transport allowance bearing position shall be entitled to the transport allowance payable to such post subject to the Municipality's Vehicle Allowance Policy.
- i) A vacant post exists at a Local Municipality under the District Municipality, and the employee is requested to fulfill their own duties as well as the duties of the said vacant post. Should be handled in terms of the regulations.

8.2 The following conditions must be met before the payment of an acting allowance:

- a) The post level of the post in which the employee is acting must be higher than their current post level. Should a post be on the same post level as the employee fulfilling acting duties, the following applies:
- b) The additional duties should be deemed as sufficient to warrant an allowance.
- c) The post in which the employee is acting must be vacant or the current incumbent must be on extended leave for not less than 10 consecutive working days).
- d) The Municipal Manager (in the case of acting senior managers) or the Acting employee's Head of Department must motivate the need for placing the employee in an acting capacity to the Municipal Manager, who must approve the appointment.
- e) In the case of Acting at a Local Municipality, a request must be made from the Local Municipality Municipal Manager to the District Municipality's Municipal Manager motivating the request to appoint the employee in an acting position. The request shall be dealt with in accordance with the

regulations on appointment of senior managers or applicable municipal policy. In the case of Acting in a Section 56 post, the motivation for acting must be authorized by the Municipal Manager, as well as the Executive Mayor.

- f) The following procedures must be followed when an Acting Allowance is paid:
- g) Acting in a higher position within the Municipality
- h) The Acting Allowance paid is equal to the difference between the employee's current basic salary, and the lowest notch of the post level of the post in which they are acting (In case of Section 56 Managers basic salary calculated as 60% of total package).
- i) Acting in a post on the same level as current post (as per section 8.2.1)
- 8.2.9.1 The Acting Allowance paid is equal to 1/3 of the employee's current basic Salary.
- j) Acting in a vacant position at a Local Municipality
- 8.2.10.1 The receiving Local Municipality shall pay Acting Allowance equal in terms of the receiving municipality's applicable policy to 100% of the employee's current basic salary. Should the employee currently be receiving an all inclusive package, the Acting Allowance paid will be equal to 50% of the employee's current basic, which cannot be more than 60% of their total package.
- k) A Senior Manager acting in the position of the position of the Municipal Manager shall be paid the difference between his/her basic salary and the basic salary of the Municipal Manager's.

8.2. NIGHT-WORK

8.2.1 An employees is entitled to a night work allowance when he/she is permitted or required by the Employer in terms of Section 17 (2)(a) of the BCEA and approved by the Municipal Manager or his delegate to perform night-work.

8.2.2 All employees working night-work shall be compensated in the form of a night-work allowance according to the following formula:

$$6/100 \times (\text{annual pensionable salary} + 250 + 80) \times \text{actual number of working night-work. Should the 6\% allowance be less than}$$

eleven rands (R11.00) per hour then it will be deemed as R11.00. This amount will be increased annually in accordance with salary increase as agreed upon at the SALGBC national level.

8.2.3 Only employees whose working hours fall between 18:00 and 06:00 the next day shall qualify for compensation in terms of SALGBC Collective Agreement on Conditions of Service for the North West Division operating from 01 September 2017 to 31 August 2022.

8.2.4 When is is required of an employee to perform work on a regular basis after 18:00 and before 23:00 the next day, a Manager must:

a) Inform the employee in writing or orally if the employee is not able to understand a written communication in a language that the employee understands:

- I. Of any health and safety hazards associated with the work that the employee is required to perform; and
- II. Of the employee's right to undergo a medical examination in terms of clause 8.2.4 (a) (III).
- III. At the request of the employee, enable the employee to undergo a medical examination, for the account of the Employer, concerning thoses hazards.
- IV. Before the employee starts, or within a reasonable period of the employee starting such work and at appropriate intervals while the employee continues to perform such work.
- V. At appropriate intervals while the employee continues to perform such work.

8.2.5 Transfer the employee to suitable day work within a reasonable time if the employee suffers from a health condition associated with the performance of night-work; provided that it is practical for the Employer to do so and after due consultation has taken place.

8.2.6 An employee performs night-work on a regular basis if the employee works for a period of more than one (1) hour after

23:00 and before 06:00 at least five (5) times per month or fifty (50) times per year.

8.2.7 Employees who exercise a choice to receive night-work allowance are not entitled to shift allowance.

8.3. SHIFT ALLOWANCE

8.3.1. The allowance is equal to seven percent (7%) of the employee's annual basic salary and is payable monthly.

8.3.2. Employees who exercise a choice to receive shift allowance will not qualify for night work allowance.

8.4. STAND-BY ALLOWANCE

8.4.1. An employee is entitled to a stand-by allowance when he/she is requested in writing by the Municipal Manager or his/her delegate to be available for the active service outside normal working hours.

8.4.2. The stand-by allowance shall be payable on the following conditions only:

A) An Employee shall not be on standby for more than two weeks per month, unless operational requirements dictate otherwise.

8.4.3. The standby allowance shall not affect or be affected by any remuneration for overtime or emergency work worked by the employee during the period of standby duty.

8.4.4. Standby to be paid amounts to R 891.09 per full week of standby duties or:

Monday to Friday	:	R 104.94 per day
Saturday	:	R 157.25 per day
Sunday	:	R 209.66 per day

8.4.5. The above allowance shall increase with the same percentage as the annual salary and wage increases.

9. IMPLEMENTATION OF POLICY

This policy will be effective from the date the policy is approved per council resolution. The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.

10. AMENDMENT OF THE POLICY

Any amendments to this policy shall be done in writing and can only be effected after approval by council and as and when required by legislation.